

VANCOUVER SCHOOL DISTRICT No. 37
Clark County, Washington
September 1, 1992 Through August 31, 1993

Schedule Of Findings

1. The District Should Improve Employee Contract Administration And Keep Documents Verifying Services Were Actually Performed

Our tests of the district's compliance with state laws regarding employee supplemental contracts and other compensation indicate some problems in contract administration and payroll system controls. The district's 1,609 full-time equivalent employees had 767 supplemental contracts, totaling at least \$1,392,000 during the 1993 school year. For the 14 employees we tested, we examined 22 supplemental contracts and other employee payments that disclosed the following problems:

	<u>Basic Contract Days</u>	<u>Basic Contract Payments</u>	<u>Suppl. Contract Payments</u>	<u>Other Payments</u>	<u>Staff Retreat Payments</u>	<u>Leave Buy-Back Payments</u>	<u>Total Payments</u>
<u>Certificated Staff</u>							
Tech. for Video Programs	180	\$37,117	\$3,840 (A)	\$ 954 (B)		\$ 146	\$42,057
Intervention Spec.	180	43,368	768 (A)	4,652 (B)		612	49,400
Inst Tech Facilitator	180	44,942	4,800 (A)	984 (B)		73	50,799
H.S. Teacher	180	43,368	7,019	1,409 (B)			51,796
H.S. Teacher	180	42,000	6,848	1,638 (B)		73	50,559
Juv. Court Teacher	180	43,032	9,563 (A)			145	52,740
H.S. Teacher	180	41,024	8,955	3,936 (B)		73	53,988
Middle School Teacher	180	38,242	5,642 (D)	2,449 (B)		146	46,479
Assist. Superint.	220	72,471	3,459 (A)	3,624	\$692 (C)	1,038	81,284
Operations Assist.	220	64,579		3,229	616 (C)	300	68,724
<u>Classified Staff</u>							
Architect for Bldg/Planning	240	61,953	1,776 (A)	9,107	592	300	73,728
Administrator for Fiscal/Bldg	240	70,278	3,075 (A)	3,514	615	300	77,782
Maint. Supervisor	240	41,496	1,452 (A)	2,075	363	300	45,686

(A) Supplemental contract for additional time or duties. The district did not provide sufficient documentation that the additional services were actually performed.

(B) We found no contract for additional services.

(C) This extra pay was for attending a two-day staff retreat. We found no contract covering these services as required for certificated staff.

(D) Includes an approved amount of \$950 for mentor teacher services. However, the contract was written for \$710 and the district had no evidence that services were performed.

RCW 28A.405.210 states:

No teacher, principal, supervisor, superintendent, or other certificated employee, holding a position as such with a school district . . . shall be employed except by written order of a majority of the directors of the district at a regular or special meeting thereof (Emphasis ours.)

Regarding backup documentation to verify that the additional services were actually performed, RCW 43.09.200 states:

The state auditor . . . shall formulate, prescribe and install a system of accounting and reporting . . . The accounts shall show . . . all receipts, vouchers, and other documents . . . necessary to isolate and prove the validity of every transaction (Emphasis ours.)

State law addresses supplemental contracts and is covered in RCW 28A.400.200(4), which states:

Salaries and benefits for certificated instructional staff may exceed the limitations in subsection (3) of this section only by separate contract for additional time, additional responsibilities or incentives. (Emphasis ours.)

The employees tested were from a variety of teaching and administrative positions. Due to the nature of the contract problems, it is not cost effective to increase the size of our tests since it appears the outcome would not change with increased work and audit costs.

Additional pay from supplemental contracts cannot be considered bonuses. Supplemental contracts must be specifically for additional time, responsibilities, or incentives. Many of the supplemental contracts were simply entitled ". . . Extended Day . . ." or ". . . Extended Year . . ." with no clear description of the additional duties or responsibilities. Further, the district's payroll department routinely pays supplemental contracts without adequate documentation to support that the work was performed. This is considered a weakness in the contract and payroll systems and could result in compensation being paid without services provided.

We recommend the district improve contract administration and payroll systems over certificated employees as follows:

- a. Employ certificated employees for additional time or effort only by separate, individual, written supplemental contracts.
- b. Pay only the amount covered by such contracts.
- c. Specifically identify what additional services are required by the supplemental contracts so that performance can be measured.

Further, we recommend the district require documentation which will isolate and prove the validity of all payments made under employee contracts.

VANCOUVER SCHOOL DISTRICT No. 37
Clark County, Washington
September 1, 1992 Through August 31, 1993

Schedule Of Federal Findings

1. District Should Retain Documentation For Charges To Federal Programs

The district did not have documentation for some additional costs charged under supplemental contracts to the following federal programs:

Bilingual Education	CFDA 84.003E	\$3,856
Special Education - State Grants	CFDA 84.027	\$5,760
Special Education - Preschool Grants	CFDA 84.173	\$2,880

Office of Management and Budget A-87, Attachment A, Part E.1. describes allowable costs as those that can be identified with a particular cost objective.

Without documentation showing what services were performed, we could not identify the additional costs with a particular federal program.

Services performed during the teacher's regular contract year are supported by class schedules. However, we found no evidence verifying that the services or time covered by the supplemental, extended year contracts were actually performed for the benefit of the federal programs charged.

We recommend the district retain documentation verifying all charges to federal programs.